



July 2, 2010

Joseph F. Stoltz
Assistant Staff Director
999 E Street, NW
Washington, DC 20463

Dear Sir:

The Republican Party of Kansas (RPK) is in receipt of the Interim Audit Report (IAR) issued by the Federal Election Commission (FEC) on May 14, 2010 and received by the RPK on May 23, 2010. The original due date for a response from the RPK was May 21, 2010. On June 17, 2010 the RPK requested and received a 15 day extension. Accordingly, the RPK's response to the FEC's IAR is due on July 6, 2010.

The RPK has submitted all reports to be amended for the 2007 and 2008 calendar years to the FEC for an initial informal review. Subsequent to this review, the RPK has amended reports for the entire audit period. Additionally, the RPK has amended reports for 2009 and 2010 to date to correct minor filing errors and reallocate shared federal and state expenses. The RPK considers these amendments as a full and complete response to the FEC's *Finding 1. "Misstatement of Financial Activity."*

In addition to these amendments, more information must be communicated to fully respond to the FEC's *Findings 2. "Receipt of Apparent Prohibited Contributions."*

The FEC noted severable contributions from sources that it presumed to be prohibited. The RPK agrees with this finding. These contributions were received from corporations or from Limited Liability Companies that file their taxes as corporation. These contributions were placed in the RPK's Federal Account. These contributions should have been placed in the RPK's State Account and reported to the Kansas Government Ethics Commission. A portion of one contribution was refunded to the contributor (*see enclosed check copy*). The RPK has secured the consent of these contributors to transfer these contributions to the RPK State Account. These contributions will continue to be reported on the RPK's Federal FEC Reports as debts owed to the RPK State Committee until such time as the RPK has sufficient funds to transfer those contributions to the RPK State Account.

The FEC's third and final finding is *Finding 3. "Payment of Federal Activity Out of Non-federal Accounts."* The FEC notes that the RPK made payments from the RPK's State Account for various federal expenses. THE FEC advised that the RPK should either demonstrate that these payments were for non-federal expenses or report these transactions as memo entries on the appropriate reports. A review of the RPK's amended reports reveal that, due to scant records, the RPK is unable to demonstrate that these expenses were incurred for non-federal purposes and has reported them on the RPK's amended federal reports.

It is important to note that after reviewing transfers and reimbursements between the Federal and State Accounts, the FEC found that the RPK State Account could have reimbursed the RPK Federal Account an amount in excess of the amounts at issue. The FEC notes: "Therefore, after considering all adjustments, it is concluded that there was no net funding of the federal activity by the non-federal committee at the end of the two year audit period and only the disclosure issues need to be addressed by the RPK." As such, the reporting of these expenses represent reporting and filing errors and not improper funding of federal activity with non-federal funds.

The RPK believes that several mitigating factors indicate that leniency is warranted in the current case. To demonstrate, the RPK attaches a copy of a letter from the current Treasurer of the RPK indicating remedial actions taken by the committees to address the financial misstatements on the FEC reports and internal accounting irregularities at the RPK. The RPK also notes the continuous and ongoing efforts of its staff and agents to resolve this matter to the satisfaction of the FEC, the public and supporters of the RPK.

We are pleased to conclude this audit process and look forward to resolving any additional issues identified by the FEC and its staff. If you have any additional questions or wish to discuss this correspondence or the amended reports filed by the RPK, please do not hesitate to contact me at (816) 569-5435.

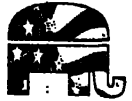
Sincerely,

A handwritten signature in black ink, appearing to read "A. Blunt", with a long horizontal flourish extending to the right.

Amy R. Blunt

KANSAS REPUBLICAN PARTY

AMANDA L. ADKINS, CHAIR



June 30, 2010

Federal Election Commission
Attn: Joseph F. Stoltz
Assistant Staff Director
999 E Street, NW
Washington, DC 20463

Dear Sir:

I appreciate the very professional and courteous manner in which your audit team uncovered and detailed several deficiencies in the Republican Party of Kansas's (RPK) 2007 and 2008 Reports of Receipts and Disbursements.

The officers and staff of the RPK take very seriously our obligations to the Party and all of its members as well as our obligation to observe the law. When first contacted by the Federal Election Commission (FEC), shortly after I became the Treasurer the new Chairman and Executive Director were hired, we engaged an accounting firm to conduct a complete audit. The accounting firm confirmed that the previous leadership team left inadequate records and that an audit was impossible.

I want to emphasize that the Party headquarters is very small. In 2007 and 2008 it had only two people on staff. Unfortunately the former Executive Director, was essentially unsupervised.

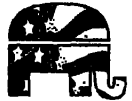
In 2009, the newly elected officers and the newly hired staff - there were no carry over personnel from the previous years - took several actions upon learning of the federal reporting problems.

- The RPK and its agents and consultants reviewed all available information;
- RPK staff participated in FEC provided training;
- The RPK hired an accounting firm to assist us in establishing and revamping our procedures to bring them into compliance with FEC safe-harbors;
- The RPK leadership team increased oversight and approval process for check writing, balance reconciliation and internal auditing;
- We eliminated unnecessary and duplicative bank accounts;
- The RPK hired a consulting firm experienced in election laws and procedures to review our 2007 and 2008 books and to recreate both electronic and paper files;
- Additionally, we made changes to our corporate governance documents to codify new policies and procedures.

Throughout the FEC audit process, the staff of the RPK have cooperated fully with the FEC and its auditors. We are very grateful for their patience as we attempt to comply with their requests for information. We are also grateful for their guidance in improving our procedures.

KANSAS REPUBLICAN PARTY

AMANDA L. ADKINS, CHAIR



We agree with many of the findings detailed in the Interim Audit Report issued by the FEC and we have taken decisive and immediate corrective action to implement the FEC's audit findings. The RPK has also made substantial improvements to the overall management and conduct of the Party's financial affairs. The Executive Committee of the Party and the State Delegates have been kept informed as these actions have been taken.

While the RPK acknowledges that there were significant reporting inconsistencies and deviations from the best practices recommended by the FEC during the audited time period, we believe that they were largely the result of the negligence and poor administration of the staff employed during that time period. We neither believe, nor have we found evidence to support a finding that there was malicious intent or a motive of active concealment by the former RPK staff and administration.

We also believe that the significant and timely remedial action taken by the RPK and its staff since the RPK became aware of these issues as well as the leadership of an entirely new administrative team support the application of leniency in this case. A significant fine would present an undue hardship for the RPK. The committee has already incurred significant expenses as a result of the audit process. Additionally, in the coming months, it will be necessary to raise a significant amount of money into the party's federal account so that transfers can be made from the federal to the non-federal account to fully implement the FEC's audit findings and recommendations.

I am proud of the efforts our team has made to address the concerns of the FEC during the past eighteen months. On behalf of all of us who have worked with the FEC staff, thank-you for the assistance and many courtesies that have been shown to us. We appreciate your difficult work in guiding organizations such as ours to comply with applicable laws and rulings. As always, please do not hesitate to contact me with any additional questions or needs.

Best regards,


Steve Fitzgerald
Treasurer
Kansas Republican Party

cc: KRP Chair
KRP Vice-Chair
KRP Secretary
KRP Executive Director
Amy Blunt, Bespoke